PP Docket No. 93-253

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November 9, 1993

William F. Caton, Secretary FCC 1919 M Street Northwest Rm. 222 Washington DC 20554 FCO-WALRO ..

RE: ExParte Comments on Proposed Rule Making for Upcoming Bidding on High Frequency Channels

In our comments, we have provided the vehicle for small business innovation to enter into and compete in the Major Trading Areas—by grouping bidders according to the technology of the services to be delivered—thereby supplying competitive opportunity for small businesses, minorities and other historically underrepresented groups.

- 1.0 We earnestly request that the FCC operate according to standard marketplace practices—free, open and fair competition—to facilitate innovation and provide protection from speculation for all businesses, large and small.
- 2.0 As a matter of public policy, it is recommended that licensees adopt the provisions of the Equal Employment Opportunity Act to include employees of small business / minority / technological consortia. In effect, extend Affirmative Action to these technological ventures.
 - 2.1 In their efforts to obtain licenses, small businesses, minorities and other historically underrepresented groups should be allowed financial assistance from major corporations.
 - 2.2 Major corporations should be encouraged to provide financial assistance to small businesses, minorities and other historically underrepresented groups.

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3.0 <u>Users should not be charged for mere access to the channel, they should be charged for direct, legitimate services on the channel.</u>

- 3.1 All bidders should be required to indicate what specific services are being offered—and the precise channel requirements to provide that service.
- 3.2 The distribution of the transmissions must also be specified.
- 3.3 Specifications should encourage competition among legitimate providers, and discourage block seizures without viable utilization.
- 4.0 Bidders are to be grouped by the technology of the services provided (e.g. fax transmission, money transfer, beverage vending inventory reporting systems, et al.)
 - 4.1 To bid a second channel for an existing technology, the bidder must demonstrate the present channel is at or near capacity.
 - 4.1.1 Limited bidding for a second channel is to assure the rapid deployment of successful technologies, rewarding those enterprises that are actually using the channels.
 - 4.1.2 A competitive environment with innovative small firms on equal footing with major corporations will be advanced.
- 5.0 Applicants should attest to their respective technology competence—and be prepared to implement within a reasonable amount of time—or be prepared to forfeit the channel allocation.

This should discourage bidding by highly funded major corporations that advertise marginal or nonexistent technology to:

- 5.1 guard against monopolization by firms that are currently advertising technology that is, by their own statement, "meant to generate interest in the market."
- 5.2 guard against monopolization by speculative investors who have no competence or interest in the technology.
- 5.3 discourage implementation of inferior technology for the sake of holding blocks of channels off the market.

6.0 It has been stated that cellular channels will compete with UHF—but this is not necessarily so.

6.1 Cellular companies cannot release a *single* channel since the Motorola Dynatac uses *all* channels to perform its switching operations. To provide single channel access, replacement of these devices (in use by most cellular service providers) would be prohibitively costly.

7.0 This is primarily a technological issue—and does not necessarily exclude minorities or other historically underrepresented groups.

- 7.1 As a matter of public policy, it is recommended that licensees adopt the provisions of the Equal Employment Opportunity Act to include employees of small business / minority / technological consortia. In effect, extend Affirmative Action to these technological ventures.
- 7.2 BTA's provide additional access—accommodating small business enterprises.
- 7.3 Provision has been made for financial cooperation among small business and major corporations, and this cooperation would extend to minority and other historically underrepresented groups.
- 7.4 Bidding should be oral, once confidential screening for meeting the technological criteria described above have been met by prospective bidders.
- 7.5 Any allocation or "set-asides" for frequencies that will not be in actual service will constitute a technological and innovative impedance.

Respectfully submitted,

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